

ANNUAL REPORT

FY 2017 -2018

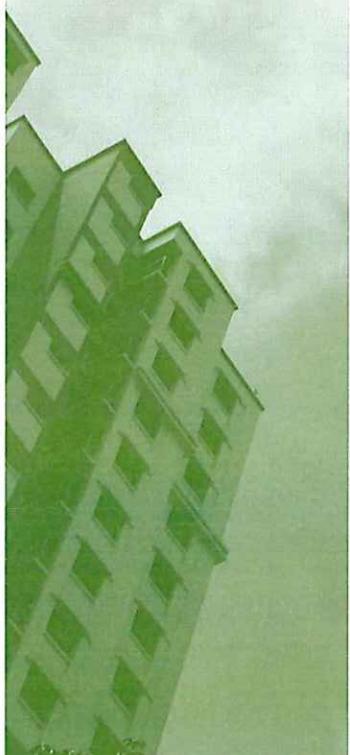
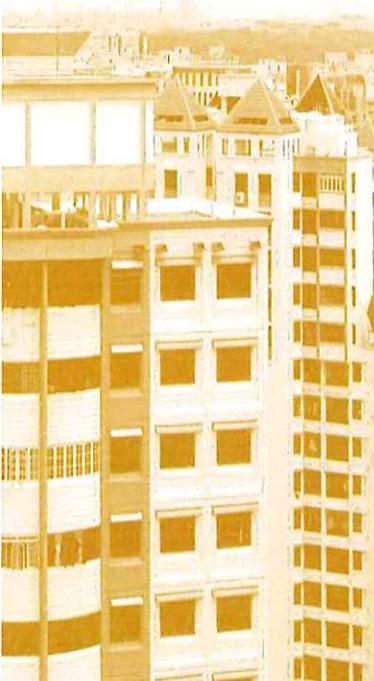
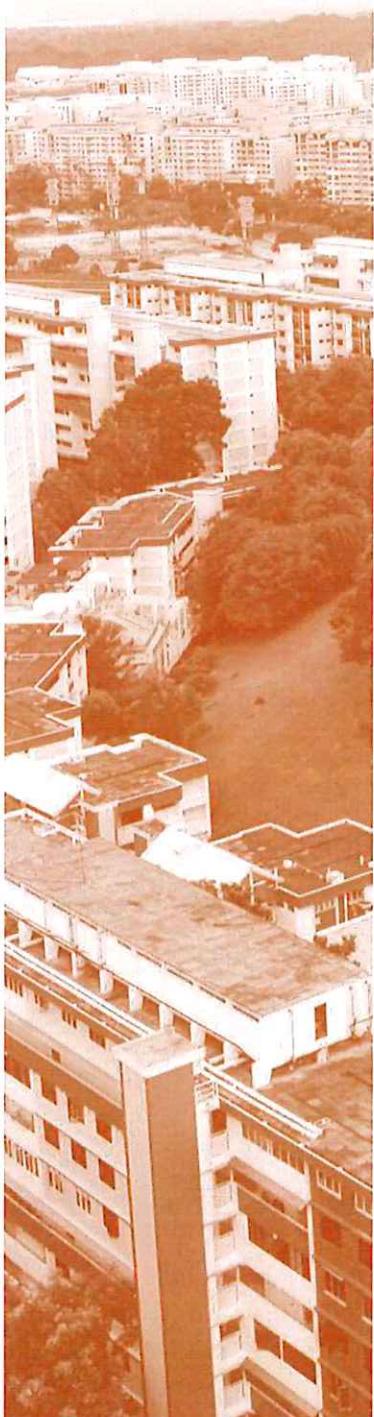


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Our Town MPs



Mr Lawrence Wong
Minister for National Development
Second Minister for Finance
MP for Marsiling-Yew Tee GRC
(Limbang)



Mr Alex Yam Ziming
MP for Marsiling-Yew Tee GRC
(Yew Tee)
Chairman of Marsiling-Yew Tee
Town Council



Mr Ong Teng Koon
MP for Marsiling-Yew Tee GRC
(Woodgrove)
Vice-Chairman of Marsiling-Yew Tee
Town Council

Our Town Councillors

Term of 01 October 2017 to 30 September 2019
(As at 31 March 2018)

TENDERS AND CONTRACTS COMMITTEE



Mr Lim Tai Sun
BBM
Chairman



Ms Abdul Ghani Bin Fathli
PBM
Member



Mr Adrian Ooi
Member



Mr Eric Lim Chin Heng
PBM
Member



Ms Johnny Lim Peng Siah
PBM
Member



Mr Malik Bin Maksudi
BBM
Member



Mr Ng Si Hiong
PBM
Member

FINANCE COMMITTEE



Mr Patrick Teo
BBM(L)
Chairman



Ms Elena Lim Beng Goh
Member



Mr Kenny Chua Kok Choo
Member



Mr Kwan Jih Leong
PBM
Member



Mr Omer Farook so Sevatha Maricar
BBM
Member



Ms Zarina Bte Amo'in
Member

Our Town Councillors

Term of 01 October 2017 to 30 September 2019

ESTATE AMENITIES COMMITTEE



Mr Bob Shaw Kar Seng
BBM
Chairman



Mr Alex Teo Kim Siah
PBM
Member



Mr Alvin Tan Choon Hwa
PBM
Member



Mr Corwin Chew Huang Jia
Member



Mr Kelvin Khoo Lam Beng
PBM
Member



Ms Lim Geok Kheng
Member



Mr Raymond Ouh Yew Thiam
Member



Mr Desmond Tan Peng Yaow
Member



Mr Wong Chiam Yew, Jimmy
Member

COMMUNITY IMPROVEMENT PROJECT COMMITTEE



Mr Ng Poh Wah
PBM
Chairman



Mr Addy Soon Tawn Tawin
PBM
Member



Mdm Ann Wee Yoke Leong
Member



Ms Cincelia Tan Chiew Pheng
Member



Mr Dickson Chua Teck Seng
Member



Mr Dominic Wu Dong Qin
Member



Mr Jeremy Tham Yeu Kuen
Member



Mr Michael N Kelyvyan
Member



Ms Noor Banu Mohamed Elias
PBM
Member



Mr Steven Tan Yong Cheng
Member



Mr Tay Boon Sin
Member

COMMUNICATIONS AND SERVICE QUALITY COMMITTEE



Mr Adrian Lim Kim Hoe
PBM
Chairman



Ms Jenny Chen Beng Lan
Member



Mr Martin Yong Keng Jeow
PBM
Member



Mr Mohd Nair Bin Tahir
PBS
Member



Ms Priscillia Yeong
Member



Mr Soh Kien Peng
Member



Ms Yeo Keng Lee
Member

Chairman's Review



This FY17/18, we welcomed the second new term of Town Councillors since the formation of Marsiling-Yew Tee GRC. Hailing from different professional backgrounds and experiences, their expertise and advice is invaluable to the work we do for our residents. They guide the Town Council in many areas including Estate Maintenance, Town Improvements, Contracts, Finance and Residents' Communications. We are grateful for their contributions in helping to create a conducive estate for all. Our core priority remains the provision of a well-maintained estate for all our residents, young and old alike, to live in.

Through the year, projects and improvements have been rolled out to enhance the living environment. Some of these projects such as conversion of an existing fountain to a community plaza, upgrading of elderly fitness corners, and construction of community halls, covered linkways and drop-off points have been completed, while other projects are works-in-progress. We also constantly implement initiatives that help to reduce our cost of electricity such as installation of solar panels and LED lights. The Town Council continues to exercise financial prudence in providing the holistic and quality services including maintenance, upgrades of estate infrastructure and improvements for all living in Marsiling-Yew Tee GRC.

Finance

Stringent financial planning and prudent practices are the guiding principles in our financial management. For FY17/18, the Town Council reports a modest surplus of \$1.98 million, after mandatory fund transfers. As at 31 March 2018, we have registered a sinking fund of \$82.20 million, a lift replacement fund of \$16.95 million and an accumulated operating surplus of \$6.28 million.

We have worked hard to keep the arrears cases low. We will continue to render assistance and guidance for households with financial difficulties through house visits.



Estate Maintenance

Estate maintenance is an ongoing process, and it requires tireless efforts. With the support of a dedicated operational team, essential maintenance and cleaning can be carried out regularly and smoothly. The operational team's hard work and contributions are critical to maintaining the estates for the comfort and safety of our residents.

The lift technician checks the lift data for any errors - This ensures that our lifts are well-maintained



The conservancy cleaner operates the one-man operated refuse collector for efficiency in cleaning up our estates

Cyclical Works

Wear and tear of our estates and their facilities is inevitable. Through the comprehensive cyclical work programme, we ensure that buildings and facilities in our estates are kept in a good and serviceable condition.

In the reported period, we invested a total of \$4.10 million in cyclical lift works. Another \$6.22 million in other cyclical works such as repainting, rewiring, reroofing, and replacing water pump sets, water pipes, water tanks and refuse chute flushing system/handling equipment.



A fresh coat of paint for Block 535 Choa Chu Kang Street 51 to Block 537 Choa Chu Kang Street 54, Block 762 to 771 Choa Chu Kang North 5 and Block 784 to 792 Choa Chu Kang North 6 (Limbang Division)

Town Improvement Projects

We undertake Town Improvement Projects to meet the evolving needs of our residents and their lifestyles. The team takes on a consultative approach in identifying the improvement works needed to augment the physical environment of our Town.

\$2.84 million was spent on various improvement projects, with a considerable amount spent on developing or upgrading facilities such as linkways, drop-off points, barrier-free access and installation of Lift Surveillance System.

We also channelled funds into constructing or upgrading leisure facilities such as elderly fitness corners, children playgrounds and community halls, etc.

Newly constructed community pavilion at Block 3 Marsiling Road (Marsiling Division)



Construction of covered linkway from Block 895A Woodlands Drive 50 to Woodlands Primary School (Woodgrove Division)



Conversion of an existing fountain to a Community Plaza at Block 632 & 633 Choa Chu Kang North 6 (Yew Tee Division)



Upgrading of playground at Stagmont Park (Limbang Division)



Neighbourhood Renewal Programme

Neighbourhood Renewal Programmes (NRP) help to ensure that old estates are invigorated.

Taking the ageing population into consideration, we incorporated designs and facilities in the projects, which are suitable and user-friendly for all ages, and in particular for seniors.

Installation of LED directional pointers at Block 631 Choa Chu Kang North 6 to Block 692B Choa Chu Kang Crescent (Yew Tee Division)

Upgraded playground between Block 113 & 115 Woodlands Street 13 (Woodgrove Division)



Upgraded ramp to roof garden at Block 167 Woodlands Street 11 to Block 179 Woodlands Street 13 (Marsiling Division)

Clean and Green Energy

The Town Council continues to tap on solar energy devices and LED lightings around the estates to save electricity. Savings from efficient use of energy can substantiate the rising operating costs for the upkeep of the Town.



To reduce carbon emissions, solar panels have been put in place across the Marsiling-Yew Tee divisions

LED lights installed across the Marsiling-Yew Tee GRC for more efficient energy use



Estate Cleanliness



Cleaners are the unsung heroes behind every clean estate. As with previous years, *Cleaners' Appreciation Day* was held across the four divisions to show appreciation to our cleaners for their efforts in sustaining the cleanliness of our Town. We thanked them with a hearty meal and a token of appreciation. The best cleaners also received awards for their exemplary work.

In conjunction with the event, we collaborated with a preschool in the GRC to inculcate the kindergarteners with the value of keeping the environment clean through litter-picking activity. These children took home not just an invaluable lesson, but also a sense of fulfilment at the end of the day.



Communication with Residents

The Town Council continues to explore ways to improve our engagement and relationship between our staff and residents both online and offline.

Adopting a storytelling approach, we have embarked on a small project to introduce our staff and the work they do in our newsletter, which is available in print and on our website.



Though many of our staff are already friendly faces to our residents, we hope this project can foster better understanding and enhance the relationship with our residents. Thus far, we have garnered positive reactions from our residents, and we are thankful for that.



Vision Ahead

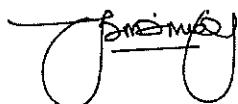
We can all agree that building a social-centric, gracious, caring and more importantly, liveable *Kampung* is no one-person job. It takes many of us, along with a community of various stakeholders, umpteen ongoing conversations and hard work. Nonetheless, it is possible, and we can witness its transformation every step of the way if we do it together.

In the year ahead, the team in Marsiling-Yew Tee will continue to work closely with our residents and grassroots partners. Leveraging technologies and new ideas, the ideal blueprint for this GRC will address the needs of our residents and their families.

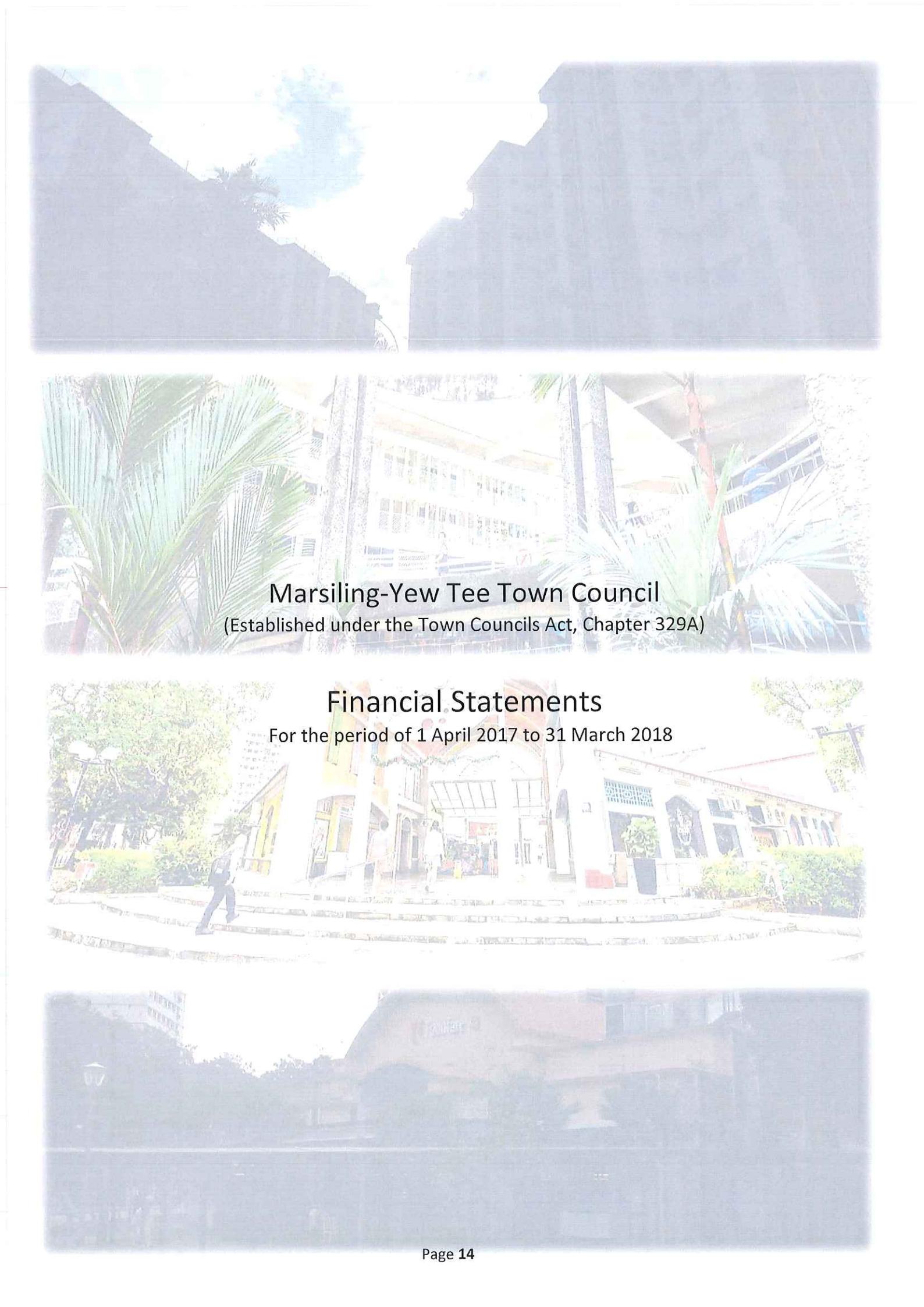
I would like to take this opportunity to thank all our councillors, partners and staff for their contributions and dedication. We will continue to integrate the feedback of our residents and be unceasing in our efforts to shape our Town into a place that we are proud to call home.

There will be challenges ahead, but I am sure we can tackle them confidently. Here's to better homes, better lives for all our residents in the days ahead!

Yours Sincerely,



Mr Alex Yam Ziming
MP for Marsiling-Yew Tee Town Council (Yew Tee)
Chairman of Marsiling-Yew Tee Town Council



Marsiling-Yew Tee Town Council
(Established under the Town Councils Act, Chapter 329A)

Financial Statements

For the period of 1 April 2017 to 31 March 2018

Marsiling-Yew Tee Town Council
(Established under the Town Councils Act,
Chapter 329A)

Annual Financial Statements
31 March 2018



Marsiling-Yew Tee Town Council

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Marsiling-Yew Tee Town Council
Independent auditor's report
For the financial year ended 31 March 2018

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Marsiling-Yew Tee Town Council (the "Town Council"), which comprise the balance sheet as at 31 March 2018, and income and expenditure statement, the statement of comprehensive income, statement of changes in Town Council funds and cash flow statement for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Chapter 329A (the "Act") and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the statement of affairs of the Town Council as at 31 March 2018 and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town Council in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Marsiling-Yew Tee Town Council
Independent auditor's report
For the financial year 31 March 2018

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

A town council is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, the management of the Town Council is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town Council's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Marsiling-Yew Tee Town Council
Independent auditor's report
For the financial year 31 March 2018

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Town Council in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

**Marsiling-Yew Tee Town Council
Independent auditor's report
For the financial year 31 March 2018**

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investments of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investments of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



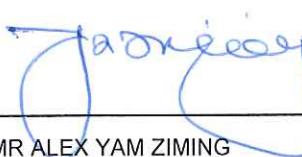
Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

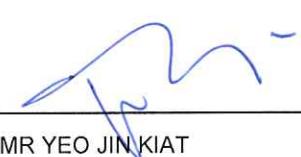
24 September 2018

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Balance sheet
As at 31 March 2018

	Note	2017/2018	2016/2017
		\$	\$
TOWN COUNCIL FUNDS			
Residential Property			
Accumulated Surplus	5	2,041,441	1,407,596
Sinking Funds	6	60,704,381	64,468,405
Lift Replacement Funds	7	13,147,321	-
Town Improvement and Project Funds	8	488,412	667,210
		76,381,555	66,543,211
Commercial Property			
Accumulated Surplus	5	2,544,021	1,934,647
Sinking Funds	6	21,500,197	24,880,533
Lift Replacement Funds	7	3,799,196	-
Town Improvement and Project Funds	8	52,570	147,579
		27,895,984	26,962,759
Carpark			
Accumulated Surplus	5	1,692,716	1,433,054
		105,970,255	94,939,024
Represented By :			
Non-current assets			
Plant and equipment	10	381,183	496,394
Held-to-maturity financial assets	12	10,000,000	-
		10,381,183	496,394
Current assets			
Neighbourhood Renewal Programme (NRP) receivable	9	-	966,782
Financial assets at fair value through profit or loss	11	-	21,486,942
Conservancy and service fee receivables	13	1,110,655	1,412,004
Other receivables	14	7,579,836	4,231,927
Cash and cash equivalents	15	95,599,069	76,851,044
		104,289,560	104,948,699
Total assets		114,670,743	105,445,093
Less :			
Current liabilities			
Advances received for NRP	9	807,011	-
Conservancy and service fees received-in-advance		545,395	459,311
Other payables	16	6,718,273	9,562,551
Income tax payable	20(b)	629,809	484,207
		8,700,488	10,506,069
Total liabilities		8,700,488	10,506,069
Net assets		105,970,255	94,939,024


MR ALEX YAM ZIMING
CHAIRMAN


MR YEO JIN KIAT
SECRETARY

The annexed notes form an integral part of and
should be read in conjunction with these financial statements

MARSILING-YEW TEE TOWN COUNCIL
 (Established under the Town Councils Act, Cap 329A)

Income and expenditure statement
 For the financial year ended 31 March 2018

	Note	2017/2018	2016/2017
		\$	\$
OPERATING INCOME			
Conservancy and service fees		34,747,094	33,092,154
Less : Operating income transfer to Sinking Funds	6	(9,034,247)	(11,392,614)
Operating transfer to Lift Replacement Funds (minimum income required by law)	7	(4,864,598)	-
		20,848,249	21,699,540
Agency fees	17	3,042,324	2,943,925
Other income		2,573,460	2,646,465
		5,615,784	5,590,390
		26,464,033	27,289,930
Less :			
OPERATING EXPENDITURE			
Cleaning works		5,265,437	5,278,107
Lift maintenance		5,892,400	5,468,690
Managing agent's fees	18	3,510,827	3,402,376
Other works and maintenance		3,783,330	4,760,676
Water and electricity		7,819,713	7,476,804
General and administrative (G&A) expenditure	19	1,477,898	1,610,571
		(27,749,605)	(27,997,224)
OPERATING DEFICIT			
		(1,285,572)	(707,294)
Add :			
NON-OPERATING INCOME			
Interest income		72,169	57,219
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS			
		(1,213,403)	(650,075)
Less:			
Income tax expense	20(a)	(246,290)	(253,807)
DEFICIT BEFORE GOVERNMENT GRANTS			
		(1,459,693)	(903,882)
Add : Government grants	22	10,557,754	6,925,136
Less : Transfer to Sinking Funds	6,22	(1,491,354)	(1,626,684)
Transfer to Lift Replacement Funds	7,22	(3,535,353)	-
Transfer to Town Improvement and Project Funds	8,22	(2,089,471)	(1,964,177)
		3,441,576	3,334,275
SURPLUS FOR THE FINANCIAL YEAR			
		1,981,883	2,430,393
ACCUMULATED SURPLUS AS AT 1 APRIL			
		4,775,297	2,746,003
Less: Accumulated surplus transferred to Town Improvement & Project Funds	8	(479,002)	(401,099)
ACCUMULATED SURPLUS AS AT 31 MARCH			
		6,278,178	4,775,297

The annexed notes form an integral part of and
 should be read in conjunction with these financial statements

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Statement of comprehensive income
For the financial year ended 31 March 2018

	Note	2017/2018	2016/2017
		\$	\$
Surplus for the financial year	5	1,981,883	2,430,393
Movement of various funds			
Accumulated Surplus	5	1,981,883	2,430,393
Sinking funds	6	5,364,491	(102,454)
Lift Replacement Funds	7	4,437,666	-
Town Improvement and Project Funds	8	(752,809)	888
		<hr/>	<hr/>
Total comprehensive income for the year attributable to town council funds		<hr/> <u>11,031,231</u>	<hr/> <u>2,328,827</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements

MARSILING-YEW TEE TOWN COUNCIL
 (Established under the Town Councils Act, Cap 329A)

Statement of changes in Town Council funds
 For the financial year ended 31 March 2018

	Residential Property \$	Commercial Property \$	Car Park \$	Total \$
<u>2017/2018</u>				
Balance as at 1 April 2017	66,543,211	26,962,759	1,433,054	94,939,024
Surplus for the financial year, representing total comprehensive income for the year	9,838,344	933,225	259,662	11,031,231
Balance as at 31 March 2018	76,381,555	27,895,984	1,692,716	105,970,255
<u>2016/2017</u>				
Balance from 1 April 2016	65,563,147	25,709,016	1,338,034	92,610,197
Surplus for the financial year, representing total comprehensive income for the year	980,064	1,253,743	95,020	2,328,827
Balance as at 31 March 2017	66,543,211	26,962,759	1,433,054	94,939,024

The annexed notes form an integral part of and
 should be read in conjunction with these financial statements

MARSILING-YEW TEE TOWN COUNCIL
 (Established under the Town Councils Act, Cap 329A)

Cash flow statement

For the financial year ended 31 March 2018

	2017/2018	2016/2017
	\$	\$
Operating activities		
Deficit before taxation and government grants	(1,213,403)	(650,075)
Adjustment for:		
Depreciation of plant and equipment	137,450	45,530
Gain on disposal of plant and equipment	(505)	-
Interest income	(72,169)	(57,219)
Operating transfer to Sinking Funds	9,034,247	11,392,614
Operating transfer to Lift Replacement Funds	4,864,598	-
Operating surplus before working capital changes	12,750,218	10,730,850
Decrease/(increase) in conservancy and service fee receivables	301,349	(162,598)
(Increase)/decrease in other receivables	(3,650,953)	65,450,837
Decrease in payables and accrued expenses	(2,504,343)	(3,029,822)
Cash generated from operations	6,896,271	72,989,267
Sinking Funds expenditure	(6,224,257)	(14,635,991)
Lift Replacement expenditure	(4,103,984)	-
Town Improvement and Project expenditure	(2,842,280)	(1,968,065)
Town Improvement and Project other income received	-	4,800
Neighbourhood Renewal Programme Fund expenditure paid	(4,400,895)	(5,518,056)
Goods and Services Tax received/(paid)	655,841	(348,464)
Income tax paid	(182,291)	-
Net cash flows (used in)/generated from operating activities	(10,201,595)	50,523,491
Investing activities		
Purchase of plant and equipment	(22,239)	(496,325)
Proceeds from sale of plant and equipment	505	-
Purchase of bonds	(10,000,000)	-
Withdrawal of funds with fund managers	23,683,149	-
Interest and investment income received	992,610	136,549
Net cash flows generated from/(used in) investing activities	14,654,025	(359,776)
Financing activities		
Government grants received	10,266,586	7,731,035
Funding received for Neighbourhood Renewal Programme	6,174,688	1,283,421
Net cash flow generated from financing activities	16,441,274	9,014,456
Net increase in cash and cash equivalents	20,893,704	59,178,171
Cash and cash equivalents at beginning of financial year	74,705,365	15,527,194
Cash and cash equivalents at 31 March (Note 15)	95,599,069	74,705,365

The annexed notes form an integral part of and
 should be read in conjunction with these financial statements

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Notes to the financial statements
For the financial year ended 31 March 2018

1. General information

Marsiling-Yew Tee Town Council was formed on 1 October 2015 under the Town Councils Act (Chapter 329A) and has its registered office at Blk 306A Woodlands Street 31, #02-00, Singapore 731306.

The functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board ("HDB") within the Town.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Town Council have been prepared in accordance with the provisions of the Town Councils Act, Chapter 329A (the "Act") and Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S\$") which is the Town Council's functional currency. All financial information presented in Singapore dollars ("S\$").

2.2 Changes in accounting policies

The Town Council has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any significant effect on the financial performance or position of the Town Council.

2.3 Standards issued but not yet effective

The Town Council has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 102 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Improvements to FRSs (December 2016)	
-Amendments to FRS 28: <i>Investments in Associates and Joint Ventures</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 109 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
FRS 116 <i>Leases</i>	1 January 2019
Improvements to FRSs (March 2018)	1 January 2019
FRS 117 <i>Insurance contracts</i>	1 January 2021
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Except for FRS 109, FRS 115 and FRS 116, the Town Council expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but the comparative information is not compulsory. The Town Council is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Town Council is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Town Council is currently assessing the impact of the new standard and plan to adopt the new standard on the required effective date.

2.4 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write-off the cost of these assets over their estimated useful lives as follows:

Office equipment	-	3 years
Data processing equipment	-	3 years
Furniture, fixtures and fittings	-	5 years
Office renovation	-	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Plant and equipment costing below S\$1,000 each are charged to the Income and Expenditure Statement in the financial year of purchase. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual lives are reviewed and adjusted as appropriate at the end of each reporting period as a change in estimates.

2.5 Funds

(a) Town Council Funds

In accordance with Section 33(1) of the Town Councils Act, separate funds were established to account for the management of the various types of properties.

The types of properties currently under the management of the Town Council are as follows:

- Residential Property;
- Commercial Property.

Car parks are managed by the Town Council for the HDB on an agency basis.

These funds, together with the Sinking Funds, Lift Replacement Funds and the Town Improvement and Project Funds form the Town Council Funds.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.5 Funds (cont'd)

(a) Town Council Funds (cont'd)

All monies received by the Town Council are paid into and related expenditure are met out of the appropriate funds set up for each property type managed.

Assets and liabilities of the various funds of the Town Council are pooled in the Balance Sheet.

(b) Sinking Funds

In accordance with Section 33(4) of the Town Councils Act, separate Sinking Funds are established for improvement to, and the management and maintenance of residential property and commercial property. These Sinking Funds are maintained as part of the Town Council Funds.

Under the Town Councils Act, the Ministry for National Development ("MND") may, from time-to-time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Sinking Funds.

In accordance with the Town Councils Act (Minimum Contributions to Sinking Funds) Financial Rule 2017, the minimum amounts to be paid into the ordinary Sinking Funds are as follows:

(i) 1-room to 5-room and Executive	26% of conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	26% of conservancy and service fees and grants-in-aid
(iii) Commercial property	26% of conservancy and service fees and grants-in-aid

The Lift Replacement Fund (LRF) Matching grant, which is a grants-in-aid, is not subject to the minimum contribution rates.

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for major cyclical works such as repainting, renewal, or replacement of roofing systems, water tanks, pumps and water supply systems, lightning protection systems, installation of any sensor and starter controller to the time-controlled booster pumping system, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing & Development Act.

The Town Council apportions 3.25% of G&A expenses and 26% of Allowance for impairment from Routine Funds to Sinking Funds.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.5 Funds (cont'd)

(c) Lift Replacement Funds

In accordance with Section 33(4A) of the Town Councils Act, from 1 April 2017 separate Lift Replacement Funds are established for improvement to, and the management and maintenance of residential property and commercial property. These Lift Replacement Funds are maintained as part of the Town Council Funds.

Under the Town Councils Act, the Ministry for National Development ("MND") may, from time-to-time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Lift Replacement Funds.

In accordance with the Town Councils Act (Minimum Contributions to Sinking Funds) Financial Rule 2017, with effect from 1 April 2017, the minimum amounts to be paid into the Lift Replacement Funds are as follows:

(i) 1-room to 5-room and Executive	14% of conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	14% of conservancy and service fees and grants-in-aid
(iii) Commercial property	14% of conservancy and service fees and grants-in-aid

The LRF Matching grant, which is a grants-in-aid, is not subject to the minimum contribution rates.

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Lift Replacement Funds are utilised for major lift works such as installation or replacement of any video lift monitoring devices and lift replacements.

The Town Council apportions 1.75% of G&A expenses and 14% of Allowance for impairment from Routine Funds to Lift Replacement Funds.

(d) Town Improvement and Project Funds

Town Improvement and Project Funds are established and maintained as part of the Town Council Funds. These funds are utilised for improvement and development works in the Town.

The funds are set up by transfer from the accumulated surplus to fund specific town improvement projects, which are to be carried out. In addition, the Town Council receives funds under Community Improvement Projects Committee scheme and are given through the Citizens' Consultative Committees ("CCC") for the approved projects.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.6 Neighbourhood Renewal Programme

Neighbourhood Renewal Programme (NRP) is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council and HDB. The funding for the programme comes from the Government and is for the specific use of projects under the programme.

2.7 Allocation of general overheads

Expenditure not relating specifically to any property type managed, for example, administrative overheads, tree planting, pruning etc. is allocated to the various property types using equivalent dwelling units as follows:

Property type	Equivalent Dwelling Unit(s)
1 Residential Property Unit	1
1 Commercial Property Unit	2
6 Car lots or 36 Motorcycle lots or 4 Lorry lots	1

No overheads are allocated to the Town Improvement and Project Funds.

2.8 Government grants

The Town Council receives from the Government, namely, Conservancy and Service Charges Grant, payments from CCC, Goods and Services Tax (GST) subvention grant, Lift Maintenance grant and Lift Replacement Fund (LRF) Matching grant.

Government grants are accounted in the Income and Expenditure Statement on an accrual basis. Conservancy and Service Charges Grants received are transferred to Sinking Funds and Lift Replacement Funds based on the amount prescribed in Note 2.5(b) and (c) to the financial statements.

The payment from CCC is given as reimbursement claims under the Community Improvement Projects Committee scheme.

The GST subvention is given as grants-in-aid and is granted to Town Councils to assist them to absorb the GST increases in Conservancy and Service Charge for HDB residential flats.

The Lift Maintenance grant and LRF Matching grant are given to help Town Councils cope with the higher lift-related servicing and maintenance cost.

2. Summary of significant accounting policies (cont'd)

2.9 Funds with fund managers

Funds with fund managers represent the market value of the portfolio of assets placed with fund managers at the beginning of each management term plus investment income less management fees payable during the management term.

Funds with fund managers comprise mainly of equities and bonds. Equities and bonds are stated on an aggregate portfolio basis and are classified as financial assets at fair value through profit or loss in the balance sheet.

On expiry of the management term, a performance fee calculated principally based on a percentage share of any return in excess of the performance benchmark of the fund managers or a minimum guaranteed return may be paid to the fund managers. Where such a fee is payable, it is provided for and deducted from the amount of funds with fund managers.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Town Council becomes a party to the contractual provisions of the financial instrument. The Town Council determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in Income and Expenditure Statement. Net gains or net losses on financial assets at fair value through profit or loss includes interest and dividend income.

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

Notes to the financial statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) *Loans and receivables (including conservancy and service fees receivables)*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in Income and Expenditure Statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Town Council has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in Income and Expenditure Statement.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Town Council becomes a party to the contractual provisions of the financial instrument. The Town Council determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement - Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Income and Expenditure Statement when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(a) *Financial liabilities (cont'd)*

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Income and Expenditure Statement.

2.11 *Impairment of financial assets*

The Town Council assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Town Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Town Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in Income and Expenditure Statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Town Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in Income and Expenditure Statement.

2. Summary of significant accounting policies (cont'd)

2.11 *Impairment of financial assets (cont'd)*

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.12 *Impairment of non-financial assets*

The Town Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Town Council makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 *Provisions*

Provisions are recognised when the Town Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 *Lease*

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (cont'd)

2.16 Revenue recognition

Conservancy and service fees and agency fees are recognised on a time-proportion basis for the period when the service is rendered.

Investment income from investments in financial assets held at fair value through profit or loss is recognised in the Sinking Fund.

2.17 Taxes

(a) Current income tax

Tax is provided on the following income:

- (i) Income derived from investments;
- (ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for use of common properties; and
- (iii) Donations from non-residents or non-owners of properties in the Town.

In respect of Government grants received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act (Chapter 134). Conservancy and service charges and agency fees are not subject to tax.

Income tax expense comprises current tax. Current tax is recognised in the Income and Expenditure Statement except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous financial years.

2.18 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council.

Contingent liabilities and assets are not recognised on the balance sheet of the Town Council, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the financial statements
For the financial year ended 31 March 2018

3. Significant accounting judgements and estimates

The preparation of the Town Council's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Town Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Town Council. Such changes are reflected in the assumptions when they occur.

Impairment of conservancy and service fee receivables

The Town Council assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Town Council considers whether there is observable data indicating that there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Town Council's conservancy and service fee receivables at the end of the reporting period is disclosed in Note 13 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Town Council's allowance for impairment will increase by S\$111,065 (2017: S\$141,200).

4. Inter-fund transfer

The Town Council may make inter-fund transfers with the criteria as set out in Sections 33(9) and 43(1)(i) of the Town Councils Act (Chapter 329A) and Rule 11A of Town Council Financial Rules.

5 Accumulated Surplus

The surplus for the financial year attributable to the various activities is carried forward as Accumulated Surplus in the respective funds as follows :

	Note	2017/2018	Total	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	
Operating income													
Conservancy and service fees	6	34,747,094	33,092,154	33,023,738	31,120,394	1,723,356	1,971,760	(448,072)	(690,117)	-	-	-	-
Less: Operating Transfer to Sinking Funds		(9,034,247)	(11,392,614)	(8,586,115)	(10,702,497)	(241,271)	-	-	-	-	-	-	-
Operating Transfer to Lift Replacement Funds (minimum required by law)	7	(4,864,598)	-	(4,623,327)	-	-	-	-	-	-	-	-	-
Agency fees	17	3,042,324	2,943,925	2,075,475	2,000,461	422,077	569,242	3,042,324	2,943,925	75,908	75,908	76,762	76,762
Other income	5(a)	26,464,033	27,289,930	21,889,711	22,418,358	1,456,090	1,850,885	3,118,232	3,020,687	-	-	-	-
Less:													
Operating expenditure													
Operating (deficit)/surplus		(27,749,605)	(27,997,224)	(24,075,884)	(24,026,889)	(832,950)	(1,064,637)	(2,840,771)	(2,905,698)	-	-	-	-
(1,285,572)		(707,294)	(2,186,173)	(1,608,531)	(1,608,531)	623,140	786,248	277,461	114,989	-	-	-	-
Add: Non-operating income		72,168	57,219	62,803	49,548	2,010	1,859	7,356	5,812	-	-	-	-
(Deficit)/surplus before taxation and government grants		(1,213,403)	(650,075)	(2,123,370)	(1,558,983)	625,150	788,107	28,487	120,801	-	-	-	-
Less:													
Income tax expense	20(a)	(246,290)	(253,807)	(215,582)	(219,773)	(5,553)	(8,253)	(25,155)	(25,781)	-	-	-	-
(Deficit)/surplus before government grants		(1,459,693)	(903,882)	(2,338,952)	(1,778,756)	619,397	779,854	259,362	95,020	-	-	-	-
Add : Government grants													
Transfer to Sinking Funds	22	10,557,754	6,925,136	10,434,818	6,925,136	122,936	-	-	-	-	-	-	-
Transfer to Lift Replacement Funds	6,22	(1,491,354)	(1,626,684)	(1,490,574)	(1,626,684)	(780)	-	-	-	-	-	-	-
Transfer (to)from Town Improvement and Project Funds	7,22	(3,535,363)	-	(3,414,987)	(3,414,987)	(120,356)	-	-	-	-	-	-	-
8,22	(2,089,471)	(1,964,177)	(2,089,471)	(1,964,933)	(1,964,933)	1,800	756	-	-	-	-	-	-
Surplus for the financial year													
Add: Accumulated surplus at 1 April		3,441,576	3,334,275	3,439,776	3,333,519	621,397	780,610	259,362	95,020	-	-	-	-
Less: Appropriation to Town Improvement and Project Funds		1,981,883	2,430,393	1,100,824	1,554,763	239,412	1,934,647	1,433,054	1,338,034	-	-	-	-
Accumulated surplus at 31 March		4,775,297	2,746,003	1,407,596	(386,579)	(12,023)	(14,520)	-	-	-	-	-	-
		(479,002)	(401,099)	(466,979)	2,041,441	1,407,596	2,544,021	1,934,647	1,692,716	1,433,054	-	-	-
		6,278,178	4,775,297	2,041,441	1,407,596	2,544,021	1,934,647	1,692,716	1,433,054	-	-	-	-

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Notes to the financial statements
For the financial year ended 31 March 2018

5 Accumulated Surplus (cont'd)

(a) Other income

	<u>2017/2018</u>	<u>2016/2017</u>
	\$	\$
Late payment penalty	155,918	170,961
Liquidated damages	190,573	88,255
Sale of tender documents	23,317	22,492
Sundry fines	23,942	15,710
Sundry income	137,753	215,995
Temporary Occupational Licence income	1,538,132	1,630,900
Use of common property income	23,610	15,470
Use of void decks	56,350	58,810
Use of water and electricity at void decks	334,730	421,284
Gain on sale of plant and equipment	505	-
Others	88,630	6,588
	<u>2,573,460</u>	<u>2,646,465</u>

6. Sinking Funds

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2017/2018	\$	2017/2018	\$	2017/2018	\$
Balance as at 1 April		89,348,938		89,451,392		64,468,405	
Less: Funds transferred to Lift Replacement Funds	7	(12,508,851)			(9,025,577)		
Add:							
Other income	6(a)	1,125,772		1,125,772		1,577,743	
Operating income transfer from conservancy and service fees (minimum required by law)	5	9,034,247		11,392,614		8,586,175	
Transfer from government grants	5,22	1,491,354		1,626,984		1,490,574	
		11,651,373		14,597,044		11,202,521	
Less:							
Expenditure	6(b)	(6,224,257)		(14,635,991)		(5,894,838)	
Surplus/(deficit) before taxation		5,427,116		(38,947)		5,307,683	
Less:							
Income tax expense	20(a)	(62,625)		(63,507)		(46,130)	
Surplus/(deficit) for the financial year		5,364,491		(102,454)		5,261,553	
Balance as at 31 March		82,204,578		89,348,938		60,704,381	
Represented by :							
Non-current asset							
Held-to-maturity financial assets	12	2,000,000					
Current assets							
Financial assets at fair value through profit or loss	11					21,486,942	
Conservancy and service fee receivables						492,353	
Other receivables						471,961	
Accrued interest						442,614	
Amount due from accumulated surplus	15					885,240	
Cash and cash equivalents						89,362,310	
Total assets		82,693,151				93,141,430	
Less:							
Current liabilities							
Conservancy and service fees received-in-advance						156,820	
Other payables						3,552,853	
Income tax payable						82,819	
Net assets		82,204,578				3,792,492	
							89,348,938

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Notes to the financial statements
 For the financial year ended 31 March 2018

6 Sinking funds (cont'd)

(a) Income

	2017/2018	2016/2017
	\$	\$
Gain in financial assets at fair value through profit or loss	229,899	1,015,884
Interest income	894,873	561,862
Others	1,000	-
	1,125,772	1,577,746

(b) Expenditure

	2017/2018	2016/2017
	\$	\$
External wall façade	1,067	16,098
Reroofing works	118,062	938,132
Lift works	-	3,679,698
Lift overhaul	-	1,984,530
Modification of exiting pilot operated ball float to solenoid valve at suction tank	-	126,856
Repairs and redecoration works	5,742,301	5,476,779
Replacement of booster pumpsets	-	154,980
Replacement of water tank	132,000	-
Replacement of refuse chute	-	840,384
Replacement of refuse handling equipment	-	7,803
Replacement of refuse chute flushing system	-	708,405
HDB Lift Upgrading Programme	-	11,565
Consultancy Fees	286,378	379,261
Unclaimable goods and services tax	(58,337)	202,579
General and administrative expenses	2,786	108,921
	6,224,257	14,635,991

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Notes to the financial statements
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7. Lift Replacement Funds

	Note	2017/2018	TOTAL		2017/2018	2017/2018
			\$	RESIDENTIAL PROPERTY		
Balance as at 1 April			-	-	-	-
Add: Funds transferred from Sinking Funds	6	12,508,851		9,025,577		3,483,274
Add:						
Other income	7(a)	160,677		160,677		-
Operating income transfer from conservancy and service fees (minimum required by law)	5	4,864,598		4,623,327		241,271
Transfer from government grants	22	803,036		802,616		420
LRF matching grant	22	2,732,317		2,612,381		119,936
		8,560,628		8,199,001		361,627
Less:						
Expenditure	7(b)	(4,103,984)		(4,062,634)		(41,350)
Surplus before taxation			4,456,644		4,136,367	
Less:						
Income tax expense	20(a)	(18,978)		(14,623)		(4,355)
Surplus for the financial year			4,437,666		4,121,744	
Balance as at 31 March			<u>16,946,517</u>		<u>13,147,321</u>	<u>3,799,196</u>

Represented by :		<u>2017/2018</u>
		\$
Non-current asset		
Held-to-maturity financial assets	12	2,000,000
Current assets		
Conservancy and service fee receivables		178,646
Other receivables		694,346
Accrued interest		47,561
Amount due from accumulated surplus		1,479,279
Cash and cash equivalents	15	14,329,264
		16,729,096
Total assets		<u>18,729,096</u>
Less:		
Current liabilities		
Conservancy and service fees received-in-advance		77,614
Other payables		1,685,987
Income tax payable		18,978
		1,782,579
Net assets		<u>16,946,517</u>

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Notes to the financial statements
 For the financial year ended 31 March 2018

7 Lift Replacement Funds (cont'd)

(a) *Income*

	<u>2017/2018</u>
	\$
Interest income	160,677
	<u>160,677</u>

(b) *Expenditure*

	<u>2017/2018</u>
	\$
Replacement of Main Sheaves/Ropes	1,043,745
Replacement of ARD Battery	228,989
Replacement of EBOPS Battery	169,160
Lift overhauls/total replacement works	174,261
Replacement of Video Lift Monitoring Device	670,943
Replacement of Lift Position Display Panel	409,913
Replacement of Inverter Units	1,060,022
Project Management Fees	138,101
GST unclaimable expenses	116,294
HDB Lift Upgrading Programme	87,850
G&A Charges	4,706
	<u>4,103,984</u>

8 Town Improvement and Project Funds

		Total	Residential Property	Commercial Property	
	Note	2017/2018	2016/2017	2017/2018	2016/2017
Balance as at 1 April		814,789	412,802	667,210	256,979
Add:					
Transfer from government grants	5,22	2,089,471	1,964,177	2,089,471	1,964,933
Other income		-	4,800	-	4,751
		2,089,471	1,968,977	2,089,471	1,969,684
Less:					
Expenditure	8(a)	(2,842,280)	(1,968,065)	(2,735,248)	(1,946,068)
		(732,809)	912	(645,777)	23,676
(Deficit)/surplus before taxation					
Less:					
Income tax expense	20(a)	-	(24)	-	(24)
		(732,809)	888	(645,777)	23,652
(Deficit)/surplus for the financial year					
Appropriation from Accumulated Surplus	5	479,002	401,099	466,979	386,579
Balance as at 31 March		540,982	814,789	488,412	667,210
Represented by :					
Current assets					
Other receivables		2,180,669	1,954,547		
Current liabilities					
Other payables		1,328,670	1,107,217		
Amount due to accumulated surplus		311,017	32,517		
Income tax payable		-	24		
		1,639,687	1,139,758		
		540,982	814,789		

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Notes to the financial statements
For the financial year ended 31 March 2018

8 Town Improvement and Project Funds (cont'd)

(a) Expenditure

	<u>2017/2018</u> \$	<u>2016/2017</u> \$
Construction of covered linkway	1,512,269	785,770
Minor improvements	552,736	443,319
Upgrading of open spaces	-	6,583
Construction/upgrading of playgrounds/fitness corners, etc	549,565	538,983
Residents' corner and study corner	-	4,144
Consultancy fees and project management fees	227,710	113,163
G&A charges	-	76,103
	<u>2,842,280</u>	<u>1,968,065</u>

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9 Advances received for NRP/(NRP receivable)

	2017/2018	2016/2017
Balance as at 1 April	\$ (966,782)	\$ 3,267,853
Funding from Government	6,174,688	1,283,421
Payments to Contractors	(4,400,895)	(5,518,056)
Surplus/(deficit) for the financial year	1,773,793	(4,234,635)
Balance as at 31 March	<u>807,011</u>	<u>(966,782)</u>

The total amount of cash received from the Government for the funding of NRP is as follows:

	2017/2018	2016/2017
Cumulative funding received as at 1 April	\$ 7,578,440	\$ 6,295,019
Funding from Government for the financial year	6,174,688	1,283,421
Cumulative funding received as at 31 March	<u>13,753,128</u>	<u>7,578,440</u>

10 Plant and equipment

	Office Equipment	Furniture, Fixtures and Fittings	Data Processing Equipment	Renovation- in-progress	Office Renovation	Total
<u>Cost:</u>						
As at 1 April 2016	184,983	600,006	37,659	-	-	822,648
Additions	42,054	-	62,842	391,429	-	496,325
Disposals	-	(318)	(1,174)	-	-	(1,492)
As at 31 March 2017	227,037	599,688	99,327	391,429	-	1,317,481
Additions	5,503	4,500	-	12,236	-	22,239
Transfer	-	-	-	(403,665)	403,665	-
Disposals	-	(1,431)	-	-	-	(1,431)
As at 31 March 2018	<u>232,540</u>	<u>602,757</u>	<u>99,327</u>	<u>-</u>	<u>403,665</u>	<u>1,338,289</u>
<u>Accumulated depreciation:</u>						
As at 1 April 2016	161,076	588,451	27,522	-	-	777,049
Depreciation for the year	17,613	5,061	22,856	-	-	45,530
Disposals	-	(318)	(1,174)	-	-	(1,492)
As at 31 March 2017	178,689	593,194	49,204	-	-	821,087
Depreciation for the year	23,789	3,362	22,838	-	87,461	137,450
Disposals	-	(1,431)	-	-	-	(1,431)
As at 31 March 2018	<u>202,478</u>	<u>595,125</u>	<u>72,042</u>	<u>-</u>	<u>87,461</u>	<u>957,106</u>
<u>Net carrying amount:</u>						
As at 31 March 2017	<u>48,348</u>	<u>6,494</u>	<u>50,123</u>	<u>391,429</u>	<u>-</u>	<u>496,394</u>
As at 31 March 2018	<u>30,062</u>	<u>7,632</u>	<u>27,285</u>	<u>-</u>	<u>316,204</u>	<u>381,183</u>

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11 Financial assets at fair value through profit or loss

	2017/2018	2016/2017
	\$	\$
Sinking Funds:		
Listed equities	-	4,329,992
Bonds securities	-	16,347,214
Others	-	809,736
Total financial assets at fair value through profit or loss	<u><u>-</u></u>	<u><u>21,486,942</u></u>

The financial assets at fair value through profit or loss have been designated to be held for trading purposes.

12 Held-to-maturity financial assets

	Note	2017/2018	2016/2017
		\$	\$
Quoted bonds with fixed interest of 2.303% maturing on 13 March 2023, representing total held-to-maturity investments			
- Non-current		<u><u>10,000,000</u></u>	<u><u>-</u></u>
Taken up in:			
Accumulated Surplus		6,000,000	-
Sinking Funds	6	2,000,000	-
Lift Replacement Funds	7	2,000,000	-
		<u><u>10,000,000</u></u>	<u><u>-</u></u>

13 Conservancy and service fee receivables

	Note	2017/2018	2016/2017
		\$	\$
Conservancy and service fee receivables		1,791,434	2,073,545
Less: Allowance for impairment		<u>(680,779)</u>	<u>(661,541)</u>
Total conservancy and service fee receivables		<u>1,110,655</u>	<u>1,412,004</u>
Add: Other receivables, excluding net GST receivables	14	7,549,622	3,545,872
Cash and cash equivalents	15	95,599,069	74,705,365
Total loans and receivables		<u><u>104,259,346</u></u>	<u><u>79,663,241</u></u>

Concentration of credit risk relating to conservancy and service receivables is limited due to the Town Council's many varied customers. These customers widely dispersed. The Town Council's historical experience in the collection of conservancy and service fee receivables that no additional credit risk beyond amounts provided for collection losses is inherent in the Town Council's conservancy and service fee receivables.

Conservancy and service fees are denominated in Singapore dollars.

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Notes to the financial statements
 For the financial year ended 31 March 2018

13 Conservancy and service fee receivables (cont'd)

Receivables that are past due but not impaired

The Town Council has conservancy and service fee receivables amounting to \$1,030,975 (2016: \$1,367,856) that are past due at the end of the reporting year but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2017/2018	2016/2017
	\$	\$
Trade receivables past due but not impaired:		
Less than 90 days	389,028	727,617
90 to 180 days	251,366	201,225
181 to 365 days	253,860	247,237
More than 365 days	136,721	191,777
	<u>1,030,975</u>	<u>1,367,856</u>

Receivables that are impaired

The Town Council's conservancy and service fee receivables that are impaired at the end of the reporting year and the movement of the allowance accounts used to record the impairment are as follows:

	Note	2017/2018	2016/2017
		\$	\$
Conservancy and service fee receivables - nominal amounts			
Less: Allowance for impairment		680,779	661,541
		<u>(680,779)</u>	<u>(661,541)</u>
		<u>-</u>	<u>-</u>
Movement in allowance accounts:			
At 1 April		661,541	555,356
Charge for the financial year	19	24,933	114,704
Written off		(5,695)	(8,519)
At 31 March		<u>680,779</u>	<u>661,541</u>

Conservancy and service fee receivables that are individually determined to be impaired at the end of the reporting year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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Notes to the financial statements
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14 Other receivables

	2017/2018	2016/2017
	\$	\$
Goods and service tax subvention receivable	323,725	302,129
LRF matching grant receivable	630,993	-
Deposits	255,788	241,100
Receivables from Citizen's Consultative Committee	2,120,807	1,846,163
Accrued interest	11,357	79,552
Accrued interest on fixed deposits	606,940	482,188
Recoverable from contractors	3,460,339	180,179
Other receivables	139,673	414,561
Other receivables, excluding net GST receivable	<u>7,549,622</u>	<u>3,545,872</u>
Add: GST receivable	30,214	686,055
Total other receivables	<u>7,579,836</u>	<u>4,231,927</u>

15 Cash and cash equivalents

	Note	2017/2018	2016/2017
		\$	\$
Cash and bank balances		3,588,347	4,581,153
Fixed deposits		92,010,722	70,124,212
Cash and fixed deposits held in trust by fund managers		-	2,145,679
		<u>95,599,069</u>	<u>76,851,044</u>
Taken up in:			
Accumulated surplus:			
Cash and bank balances		1,385,843	1,488,734
Fixed deposits		3,043,048	6,000,000
		<u>4,428,891</u>	<u>7,488,734</u>
Sinking Funds			
Cash and bank balances		67,474	3,092,419
Fixed deposits		76,773,440	64,124,212
Cash and fixed deposits held in trust by fund managers		-	2,145,679
	6	<u>76,840,914</u>	<u>69,362,310</u>
Lift Replacement Funds			
Cash and bank balances		2,135,030	-
Fixed deposits		12,194,234	-
	7	<u>14,329,264</u>	<u>-</u>
Total cash and cash equivalents		<u>95,599,069</u>	<u>76,851,044</u>

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Notes to the financial statements
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15 Cash and cash equivalents (cont'd)

At the end of the reporting year, the carrying amounts of cash and cash equivalents approximate their fair values.

For the purpose of the cash flow statement, the cash and cash equivalents comprise the following:

	2017/2018 \$	2016/2017 \$
Cash and bank balances	95,599,069	76,851,044
Less: Cash and fixed deposits held in trust by fund managers	-	(2,145,679)
 Cash and cash equivalents per cash flow statement	 <u>95,599,069</u>	 <u>74,705,365</u>

16 Other payables

	2017/2018 \$	2016/2017 \$
Accrued operating expenses	2,417,991	3,442,787
Conservancy and service grant received-in-advance	5,072	-
Other creditors	814,219	928,401
Amount due to a related party	104,068	511,219
Payables to contractors	3,233,349	4,517,406
Refundable deposits	143,574	162,738
 Less: Conservancy and service grant received-in-advance	 <u>(5,072)</u>	 -
Total financial liabilities carried at amortised cost	 <u>6,718,273</u>	 <u>9,562,551</u>
	 <u>6,713,201</u>	 <u>9,562,551</u>

The contractual undiscounted cash outflows on creditors and accrued expenses are expected to approximate their carrying amounts and settled within one year except for refundable deposits that are repayable on demand.

17 Agency fees

These are fees received for routine maintenance of HDB's carparks in the Town.

18 Managing agent's fees

The Town council does not have any other employees on its payroll as management of its daily operations have been outsourced to a managing agent for a fee of S\$3,510,827 (2017: S\$3,402,376) for the financial year ended 31 March 2018.

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Notes to the financial statements
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19 G&A expenditure

The G&A expenditure comprises the following:

	Note	2017/2018	2016/2017
		\$	\$
Advertising and public relations		155,740	180,679
Audit fee		56,500	56,500
Computer services		143,745	240,306
Depreciation of plant and equipment	10	137,450	45,530
Fees and charges		325,928	246,417
Office rental and upkeep expenditure		312,056	200,411
Office supplies and stationery		146,084	150,256
Others		27,060	33,806
Plant and equipment not capitalised		2,507	18,770
Property tax		174,390	165,381
Provision for impairment of receivables	13	24,933	114,704
Bad debts recovered		(184,477)	(19,824)
Penalty fee written off		13,092	15,607
Town Councillors' allowance		99,769	114,440
Unclaimable goods and services tax		62,126	157,322
		<u>1,496,903</u>	<u>1,720,305</u>
Allocation to Sinking Fund			
- 26% (2017: 30%) of net provision for impairment of receivables no longer required and bad debts recovered/(written-off)		41,482	(28,463)
- 3.25% (2017: 5%) of remaining G&A expenditure		(53,835)	(81,271)
Allocation to Lift Replacement Funds			
- 14% (2017: NIL) of net provision for impairment of receivables no longer required and bad debts recovered		22,336	-
- 1.75% (2017: NIL) of remaining G&A expenditure		(28,988)	-
		<u>1,477,898</u>	<u>1,610,571</u>

20 Income tax expense

(a) Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial year ended 31 March 2018 and 2017 are:

		2017/2018	2016/2017
		\$	\$
Income tax expense attributable to profit is made up of:			
Current income tax provision		312,471	317,338
Under provision of income tax in prior years		15,422	-
		<u>327,893</u>	<u>317,338</u>
Taken up in:			
Accumulated Surplus	5	246,290	253,807
Sinking Fund	6	62,625	63,507
Lift Replacement Fund	7	18,978	-
Town Improvement and Project Fund	8	-	24
		<u>327,893</u>	<u>317,338</u>

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Notes to the financial statements
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20 Income tax expense (cont'd)

(a) Income tax expense (cont'd)

Relationship between tax expense and accounting surplus

A reconciliation between tax expense and the product of accounting surplus multiplied by the applicable corporate tax rate for the financial year 31 March 2018 and 2017 are as follows:

	2017/2018	2016/2017
	\$	\$
Investment and interest income received	545,085	536,856
Other income	11,332,409	8,609,133
Allowance expenses	<u>(159,287)</u>	<u>(147,995)</u>
	11,718,207	8,997,994
 Tax at statutory rate of 17%	1,992,095	1,529,659
Tax effect on certain income taxed at concessionary tax rate	<u>(1,653,699)</u>	<u>(1,186,396)</u>
Effect of partial tax exemption	<u>(25,925)</u>	<u>(25,925)</u>
Under provision in respect of prior years	<u>15,422</u>	<u>-</u>
	<u>327,893</u>	<u>317,338</u>

(b) Movement in provision for current tax

	2017/2018	2016/2017
	\$	\$
Balance as at 1 April	484,207	166,869
Income tax expense for the financial year	312,471	317,338
Tax paid during the year	<u>(182,291)</u>	<u>-</u>
Under provision in respect of prior years	<u>15,422</u>	<u>-</u>
Balance as at 31 March	<u>629,809</u>	<u>484,207</u>

21 Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore.

The unclaimed portion is charged to the Income and Expenditure / Sinking Fund / Lift Replacement Statement during the financial year.

22 Government grants

Government grants taken to the Income and Expenditure Statement during the year are as follows:

ii) The total amount of grants received (including grants received in advance) since the formation of the Town Council is as follows:

	2017/2018	2016/2017
Grants received/receivable as at 1 April	\$ 7,849,141	\$ 118,106
Add: Grants received during the financial year	10,266,586	7,731,035
Total Grants received as at 31 March	\$ 18,115,727	\$ 7,849,141

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For the financial year ended 31 March 2018

23 Commitments

(a) Capital commitments

Capital expenditure approved by the Town Council as at the end of the reporting year but not recognised in the financial statements are as follows:

	2017/2018	2016/2017
	\$	\$
Amount approved and contracted for	20,593,093	12,140,688
Amount approved but not contracted for	24,445,203	33,349,308
	<u>45,038,296</u>	<u>45,489,996</u>

(b) Operating lease commitments - as lessee

The Town Council has entered into leases on office space, computer and software. These leases have an average tenure of between three and seven years. The Town Council is restricted from subleasing the leased office and space, computer and software to third parties.

Minimum lease payments recognised as an expense in the Income and Expenditure Statement for the financial year ended 31 March 2018 and 2017 amounted to S\$394,934 and S\$392,864 respectively.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2017/2018	2016/2017
	\$	\$
Not later than one year	361,665	361,665
Later than one year and not later than five years	354,203	715,868
	<u>715,868</u>	<u>1,077,533</u>

24 RELATED PARTY TRANSACTIONS

The managing agent appointed by the Town Council is classified as a related party as the managing agent provides key management personnel services to the Town Council.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Town Council and the managing agent took place during the financial year.

	2017/2018	2016/2017
	\$	\$
Managing agent's fees	3,510,827	3,402,376
Energy Saving Project	1,445,622	1,674,217
Essential Maintenance Services Expenses	597,225	593,789
Upgrading and Construction of Playgrounds	3,154	152,848
Project Management Fees	752,774	403,409
Lift Repairs and Servicing	297,824	189,509
Others	<u>143,920</u>	<u>158,345</u>

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Notes to the financial statements
For the financial year ended 31 March 2018

25 Financial risk management objectives and policies

The Town Council has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Town Council's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Town Council is exposed to credit risk, liquidity risk and market risk in the normal course of the Town Council's business.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting from financial loss to the Town Council. For conservancy and service receivables, at the end of the reporting year, there were no significant concentrations of credit risk. The financial assets of the Town Council comprise mainly cash and cash equivalents, conservancy and service fees receivables, other receivables and held-to-maturity financial assets.

The Town Council manages credit risk through the setting of guidelines for its investments. The guidelines are reviewed and approved by the Finance Committee. Ongoing monitoring is undertaken by management to ensure that all investment activities are in compliance with the guidelines.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Financial assets that are neither past due nor impaired

Conservancy and service fee receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Town Council. Credit risk on cash and cash equivalents are limited because the counterparties are with Singapore financial institutions. An ongoing credit evaluation is performed on the conservancy and service fees receivables' financial condition and loss from impairment is recognised in the Income and Expenditure, Sinking Fund and Lift Replacement Fund Statements. There is no significant concentration risk as the exposure is spread over a large number of residents.

Financial assets that are either past due nor impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 Conservancy and service fee receivables.

(b) Liquidity Risk

Liquidity risk is the risk that the Town Council will encounter difficulty in meeting financial obligations due to shortage of funds. The Town Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Town Council's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Town Council adopts prudent liquidity risk management by maintaining sufficient cash to meet its routine, sinking and lift replacement fund expenditure.

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Notes to the financial statements
 For the financial year ended 31 March 2018

25 Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The Town Council's maturity profile of the financial assets and financial liabilities at the balance sheet date based on contractual undiscounted payments are summarised as follows:

	2017/2018		
	\$ One year or less	\$ One to five years	\$ Total
Financial assets:			
Held-to-maturity financial assets	-	10,000,000	10,000,000
Conservancy and service fee receivables	1,110,655	-	1,110,655
Other receivables, excluding net GST receivables	7,549,622	-	7,549,622
Cash and cash equivalents	95,599,069	-	95,599,069
Total undiscounted financial assets	104,259,346	10,000,000	114,259,346
Financial liabilities:			
Other payables, excluding conservancy and service grant received-in-advance	6,713,201	-	6,713,201
Total undiscounted financial liabilities	6,713,201	-	6,713,201
Total net undiscounted financial assets	97,546,145	10,000,000	107,546,145
	2016/2017		
	\$ One year or less	\$ One to five years	\$ Total
Financial assets:			
Financial assets at fair value through profit or loss	21,486,942	-	21,486,942
Conservancy and service fee receivables	1,412,004	-	1,412,004
Other receivables, excluding net GST receivables	3,545,872	-	3,545,872
Cash and cash equivalents	76,851,044	-	76,851,044
Total undiscounted financial assets	103,295,862	-	103,295,862
Financial liabilities:			
Other payables, excluding conservancy and service grant received-in-advance	9,562,551	-	9,562,551
Total undiscounted financial liabilities	9,562,551	-	9,562,551
Total net undiscounted financial assets	93,733,311	-	93,733,311

(c) Market risk

Market risk is the risk of potential adverse changes to the value of the financial instruments because of changes in market conditions such as interest and volatility in security prices.

(i) Price risk

The Town Council is exposed to securities price risk arising from investments which are classified on the balance sheet at fair value through profit or loss. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investments and the general market conditions. Our investment portfolio with fund managers is monitored by the fund managers who are capital market licensed holders and/or financial institutions, on a regular basis so as to assess changes in fundamentals and valuation for the financial year ended 31 March 2017. Guidelines have been set by the Finance Committee to manage the exposure of our investment portfolio so as to reduce our exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets.

Notes to the financial statements
For the financial year ended 31 March 2018

25 Financial risk management objectives and policies (continued)

(c) Market risk (cont'd)

(i) Price risk (cont'd)

The table below summarises the impact to the Town Council's investments at fair value through profit or loss as a result of a 10% increase/decrease in the fair value of funds with fund managers with all other variables held constant:

	Increase/(Decrease)					
	Total Funds of the Town		Income and Expenditure		Sinking Fund Statement	
	Council	Statement	2017/2018	2016/2017	2017/2018	2016/2017
	\$	\$	\$	\$	\$	\$
Price increase by 10%	-	2,148,694	-	-	-	2,148,694
Price decrease by 10%	-	(2,148,694)	-	-	-	(2,148,694)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Town Council has interest-bearing fixed deposits with financial institutions and debt securities. As fixed income securities included in funds with fund managers form part of the overall trading portfolio managed by the fund managers, presentation of interest rates will not be meaningful to the users of financial statements. The interest-bearing fixed deposits and held-to-maturity financial assets are at fixed rates at the balance sheet date and the interest rates are disclosed in note 12 to the financial statements. Therefore the Town Council's net assets, income and expenditure statement and sinking fund statement are not likely to be materially affected by changes in market interest rates had these occurred at the balance sheet date and had these been applied to the risk exposures as at the balance sheet date.

26 Fair value of assets and liabilities

(a) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at end of the reporting year:

	2016/2017	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Assets					
Financial assets at fair value through profit or loss					
		21,486,942	-	-	21,486,942

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Notes to the financial statements
For the financial year ended 31 March 2018

26 Fair value of assets and liabilities

(b) Assets and liabilities measured at fair value (cont'd)

There are no assets measured at fair value as at 31 March 2018.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in Level 1.

(c) Assets and liabilities not measured at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$
<u>2017/2018</u>				
Assets				
Held-to-maturity financial assets	<u>10,000,000</u>	-	-	<u>10,000,000</u>

There are no assets not measured at fair value, for which fair value is disclosed as at 31 March 2017.

(d) Financial instruments not carried at fair value and whose carrying amount are reasonable approximation of fair value

Cash and cash equivalents, Neighbourhood Renewal Programme (NRP) receivable, conservancy and service fee receivables, other receivables, and other payables.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

27 Funds Management

The Town Council's objectives when managing the funds are:

- (a) To safeguard the Town Council's ability to continue as a going concern;
- (b) To support the Town Council's ability and growth; and
- (c) To provide funds for the purpose of strengthening the Town Council's risk management capability.

The Town Council actively and regularly reviews and manages its funds structure to ensure optimal structure, taking into consideration the future funds requirements of the Town Council and fund efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Town Council is not subject to externally imposed requirements.

The Town Council total funds amounted to \$105,970,255 (2017: \$94,939,024).

28 Key management remuneration

Key management refers to the Town Councilors. The remuneration paid to the Town Councilors are disclosed in Note 19 to the financial statements.

29 Authorisation of financial statements for issue

The financial statements of the Town Council for the financial year ended 31 March 2018 were authorised for issue by the members of the Town Council on 24 September 2018.

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